

EXECUTIVE SUMMARY

The Agency's enabling legislation and General Services Administration's (GSA) statutory mission overlap in the areas of supply, procurement, real estate, and facilities. Precedence has been established over the years wherein the Agency now relies on GSA to satisfy most domestic requirements; but there is increasing criticism of, and dissatisfaction with, the performance of GSA. However, given GSA's statutory authorities and presence, the Central Intelligence Agency's (CIA) General Counsel has been reluctant to use the Director of Central Intelligence's (DCI) authorities domestically except in limited circumstances. A more liberal utilization of the DCI's authorities provided by Sections 8A and 8B of the CIA Act of 1949 would allow the equilibrium between CIA and GSA to shift to CIA being more self-sufficient. Self-sufficiency would reduce GSA's workload, in turn relieving, somewhat, their chronic problems of being both understaffed and underfunded. Decentralization would increase the responsiveness of service to the ultimate customer and, as developed later in this paper, should increase overall governmental efficiency.

This paper will identify each service received by GSA, provide a background and problem statement that discusses the issues and provides a recommendation for improvement. The recurrent theme and recommendation is that overall governmental efficiency and responsiveness can be greatly improved through the judicious and controlled delegation of specific authorities by GSA to the Agency. Requested delegations are summarized in the following matrix:

Category	Existing Arrangement	Proposed Arrangement
Acquisition of leased space	GSA has delegated authority to acquire up to 5000 sq.ft.	No square feet restriction, only communications with GSA and adherence to the F.P.M.R.
Reimbursable work. (Improvement, alteration and new construction)	GSA responsibility, with delegations to the Agency on a case-by-case basis.	Agency responsibility; work accomplished through GSA if responsive, otherwise through direct Agency contract.
SLUC (operations, maintenance house-keeping)	GSA responsibility, with Agency often providing supplemental funds.	GSA publish standards for SLUC funded services; where services are not commensurate with standards, Agency will contract directly, adjusting the SLUC payment accordingly.
Cafeteria and Vending Machines	Services provided through the GSA, by GSI for cafeteria and Va. Comm. for blind for vending machines.	No change.
Supply and Procurement	Interfaces and responsibilities and authorities clear. ADPE procurement is delegated to the Agency.	No major changes. System tuning recommended.
STATINTL	Under GSA control.	Under Agency control.

The delegation of Automated Data Processing Equipment (ADPE) procurement authority demonstrates that mission support does improve and laws and regulation are honored. GSA has audited this delegation on three occasions since granted in 1973 and complimented the Agency's exercise of the authority each time. This ADPE delegation represents the direction proposed for the first three categories of the above matrix, and is the direction the Agency believes the National Academy of Public Administration study should recommend.

If the shift of responsibilities proposed in the matrix is not possible, and it came to a choice of either the Agency or GSA to perform the services, we would recommend the delegations of the entire set of operating authorities and the transfer of appropriate resources to the CIA. We cannot continue the current pattern of unresponsiveness.

Background

In the early days, the Agency's enabling legislation was focused on the overseas mission, with domestic needs modest and adequately served by GSA. As the Agency grew, consolidation through construction at Langely was approved and funded by the

[redacted] thus allowing the potential for subsequent services to be provided internally, via contract, via the [redacted] or through GSA. GSA was selected; and through an exchange of correspondence in 1959 between the DCI and the Administrator of GSA, it was agreed that GSA would perform services incident to the operation, maintenance, protection, and repair of the CIA Headquarters Building.

This arrangement went unaltered until 1972 when passage of Public Law 92-313, an amendment to the Property Act of 1949, provided GSA authority to bill Federal agencies for furnished space and services. This billing was identified as a Standard Level User Charge (SLUC), designed to provide GSA with reimbursement for the provision of a standard level of service plus an amount for a Federal Building Fund to provide for acquisition of new Federal buildings. In anticipation of the adverse effects that PL 92-313 might have on the CIA, the DCI, in November 1973, forwarded an appeal to GSA for exemption of the Headquarters complex

[redacted]

[redacted] This appeal was denied by GSA. Consequently, all Agency properties subject to the provisions of PL 92-313, including Headquarters and [redacted] were identified to GSA, thus establishing the basis for our current relationship.

The remainder of the paper concerns shifts of responsibilities

present in the GSA/CIA arrangements. There is one area, support
STATINTL to our [] where the disparity between GSA's capabilities
(and track record) and our support requirements is so great that
we recommend that total responsibility for the facility be trans-
ferred to the CIA. The justifications and rationale for this
recommendation is the subject of a separate study. However, as
the recommendation represents the most sweeping solution to the
problems of GSA support that permeate throughout this report, a
synopsis of the situation is included in the next paragraph.

GSA's organization has been, and is, primarily structured to
support the routine requirements of a standard office building.
This has impacted the Agency most in the area of building management.

STATINTL [] has always been unique, special purpose, primarily
housing technical equipment, requiring special support, support
above and beyond GSA's standard services. The Headquarters complex
has each year evolved from a standard office building to more of
a light industrial park, housing ever-increasing amounts of
technical equipment, and, similar to [] requires STATINTL
special, responsive, and efficient support services. Although
GSA has historically not been able to provide the necessary
support to our operational requirements in either building in
the area of facilities management, we have been able to cope in
the less support-critical Headquarters complex. Coping in
Headquarters is also facilitated by the physical location of GSA
shops in the Headquarters building, a condition that NPIC does

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not enjoy. The need for reliable, time critical, responsive
and controlled facilities support at [] is non-nego-
tiable in order to meet the mission, a dynamic mission dependent
on the availability of precision, complex and sensitive electro/
mechanical/optical equipment. GSA does not have the capability
STATINTL or apparent inclination to meet Agency requirements at Building
[] and it is thereby recommended that [] in its
entirety, be transferred from GSA control to CIA control. STATINTL

Discussion

The GSA organization is of gargantuan proportions, is bureaucratic, and provides most services on a monopolistic basis. Size, bureaucracy, and monopoly combine to aggravate managerial and administrative considerations that are common to all organizations, i.e.,

- ° There are few standards or feedback mechanism to evaluate responsiveness, effectiveness, and efficiency; therefore, there is no signal when GSA is performing poorly.
- ° There are few incentives for good management and few disincentives for poor management.
- ° There is a general lack of a sense of urgency or importance, to the extent that even telephone communication is often time-consuming or impossible.

- ° By their perceptions, in which we are in agreement, they are often understaffed, are often underfunded, and the personnel are often underpaid and/or under-motivated.
- ° There is a lack of authority and willingness to make decisions, particularly in the wake of the recent disclosures of dishonesty and fraudulent behaviors.
- ° There can be lengthy delays due to the plethora of confusing and restrictive central regulations and congressional directives, oversight committees, etc.

The efficiency of centralized service, with the potential attendant savings to the taxpayer, is often realized at a cost in responsiveness to the customer. In our case, the centralized GSA service has become both relatively costly and unresponsive.

This Agency's involvement with GSA is multidimensional, involving the operations, maintenance and alteration of facilities, engineering, housekeeping, procurement, supply and transportation. Relations have been good, with interpersonal relationships at the individual level excellent. Most GSA representatives are eager to be responsive. Nonetheless, although there are many examples of organizational success, it is also common for the GSA system to preclude responsiveness. This Agency does observe a strong correlation between unresponsiveness and monopoly; those areas where this Agency must go to GSA for services are usually the areas that GSA is least responsive. Poor response has forced

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this Agency to use our staff to help GSA to help us: professional personnel that could be more effectively utilized in directly accomplishing tasks through existing Agency authorities.

The world situation is fluid and mission requirements often cannot be anticipated; specific support requirements therefore cannot be incorporated into long-range plans. Mission duration is often less than the time GSA requires to respond to our requests for services. To meet our mission, either GSA must become more responsive or delegations from GSA are necessary, delegations with the appropriate constraints and procedures for audit.

The recurrent theme that permeates throughout the following examples is that both overall governmental efficiency and responsiveness of service can be greatly improved through the judicious and controlled delegation of specific authorities by GSA to this Agency. The delegates are in the best interest of the government not only for the improvement of efficiency and responsiveness but also because stronger checks and balances to the process of providing services are possible thereby reducing the potential for abuses. The relative smallness of the Agency allows complete internal auditing procedures. Aggressive auditing and a manageable scope of operations inherently provide reasonable checks and balances. Repeated congressional investigations could not find abuses in the Agency's support or financial operations. Investigations of GSA disclosed sweeping abuses and dishonesty. The above facts and observations lead us to suggest that the Agency can inherently offer better safeguards against abuse in the provision of goods and services.

The remainder of this paper will identify in more detail the categories of services received from GSA. The organization of the paper will be to identify the category of service, provide an introductory narrative (background), and then identify the issues, followed by a recommendation for improvement. Typical of most customers who received services from others, the bulk of the narrative is concerned with GSA services that lack some combination of effectiveness, efficiency, responsiveness or adequacy. Service that is responsive is often taken for granted and not documented and studied. There are many examples where GSA has performed above and beyond the call of normal duty to be responsive to our needs, particularly at the individual and working levels.

Category: Acquisition of Lease Space

Background: Although the Agency has, under the provisions of its enabling legislation, authority to lease real property, utilization has been restricted to acquisition of "operational" real estate. Thus the Agency must rely on GSA to satisfy its needs for "administrative" property. Unfortunately, most of the Agency's requirements are for relatively small offices which, although falling within the "administrative" definition, have operational and security characteristics which dictate location, type of space, and time frame. GSA has proven to be uniformly unable to respond in a timely manner to these requirements.

Problem: GSA appears to be both overworked and understaffed. This problem is exacerbated by an internal bureaucracy which

requires many levels of both vertical and lateral approval before a lease may be signed. In addition, GSA has become the executive agency responsible for a myriad of social and economic programs designed to revitalize urban areas, employ minorities, aid the handicapped, conserve energy, improve the environment, balance the budget, reduce the size of the Federal work force, etc.

While worthwhile, the total impact of these programs is to grind the leasing process to a virtual halt. Real impact may be achieved through these programs when applied to large-scale Federal space programs. Unfortunately, these conditions are applied

STATINTL across the board and affect this Agency's attempts to obtain an

[redacted] as well as construction of a major Federal center.

Examples:

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1. [redacted]

was moved to temporary space as a result of a bomb explosion which made their previous office unacceptable. The temporary space, although nearly thrice as large as required, was inadequate from a safety and security viewpoint.

Over the ensuing two and one-half years, GSA was unable to locate replacement space. Direct appeals were made by the DCI, Deputy Director for Administration, and Director of Logistics to no avail. As a last resort, in November

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1979, an Agency officer spent one week, full-time, in

[redacted] surveyed available space, and located an office acceptable to GSA and the Agency. It then took GSA until

it wouldn't have been done then had not the Agency intervened at critical times.

2. In 1975, the Agency formally requested that GSA obtain 85,750 square feet of office and special-purpose space to meet expanded Agency requirements. Problems involving GSA funding restraints, leasing priorities, and moratoriums delayed formal solicitation for offers until May 1979. Negotiations continued until November 1979, at which time GSA's General Counsel, overruling their local National Capital Region, determined that GSA could not enter into a lease. Leasing authority was subsequently delegated to the Agency.

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GSA ultimately advised that owing to the tight leasing market, space of this small size was not available. In both instances the Agency subsequently located suitable space.

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Pros: GSA provides a certain flexibility and ensures that leasing reflects current rules and regulations governing space acquisition. They also assume the administrative burden of lease payments and ongoing relations with the landlord. Because of the large volume, they are presumably very familiar with their local leasing market.

Cons: The nonresponsiveness results in an inordinate amount of time consumed simply attempting to get GSA to react. This largely nonproductive effort far exceeds the time involved in direct leasing. GSA is, at best, only vaguely aware of security and cover conditions which affect many of our offices and totally unaware of the operational priorities which affect our space planning efforts.

Recommendation: The 5,000 square foot restriction on the recent delegation for leasing should be removed and future leasing should only require coordination with GSA and adherence to the Federal Property Management Regulations. The 5,000 square foot delegation has proven to be quite workable. By virtue of its overseas and other operational responsibilities, this Agency has a professional cadre of engineers and realty officers. These personnel are competent to design and lease office space. Use of the delegation has cut leasing delays from, literally, years to weeks.

Category: Reimbursable Work - Improvements, Alterations, New Construction

Background: The Agency requests reimbursable services outside of those provided under SLUC by means of GSA Work Authorization Form 2957. Supposedly, GSA provides the Agency "detailed estimates" but in fact only overall figures for labor, material, and total

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are reflected and that in absolutely no detail. Wide variations in material quantities, oversights, duplication between shops, and other discrepancies are possible and likely, with no verification possible. Costs significantly higher than Agency estimates and little control over GSA work schedules and quality of work often cause reimbursable services to be unresponsive.

Problem: Where construction is involved, GSA is not responsive. Most construction is preceded by a feasibility study, construction drawings and specifications (design), and finally, after award, construction. This assumes that the Architect and Engineer selection process (which takes usually eight months), congressional prospectus process (if the project is of significant size), which may take from two to five years, and the budget process are all satisfied. Given the GSA staffing and competition for those limited resources from other agencies, only the highest priority projects get attention and important projects continually slide further behind. Limited resources available to the Agency are consumed in trying to prod GSA into action.

Since the Agency is a captive customer and must deal with GSA without the benefit of competition, it ultimately faces a "take it or leave it" bargaining situation. It is necessary that the Agency be able to judge the adequacy of transactions. Estimates in sufficient detail to show materiel lists and manhours per job element must be prepared and used at negotiation sessions. Alternatives must be given the Agency if agreement cannot be reached in cost or response.

Pros: There are certain projects which can be forecast far enough in advance to get GSA moving in an acceptable time frame. Useful life of capital improvements can be predicted and replacements set in motion. In some instances, GSA can, and occasionally does, program the necessary funding. Where this Agency can provide guidance and prodding, with GSA doing the rest, is advantageous. Where fiscal year funds are involved, arrangements can occasionally be made in sufficient detail to obligate Agency funds with GSA performing the majority of the actual project administration.

Cons: When an operational exigency exists, GSA more often than not cannot respond. Only utilization of maximum Agency influence at the highest level can achieve improved response and then only in extremely rare cases. Installation of major equipment, even when it is provided by the Agency, takes years to accomplish and then with only minimum efficiency and coordination evident, as seen in the installation of emergency generators at the power plant. It is clear that GSA is deficient in areas vital to this Agency's operational integrity.

Recommendation: It must be clearly established that this Agency has the responsibility and authority to accomplish necessary repairs, improvements, alterations, and new construction through its own resources and that work may be accomplished through direct Agency contract or through GSA; the decision to be made solely at this Agency's discretion.

Covered in next Category

Background: GSA supposedly provides a habitable environment for a normal 40 hour work week under the provisions of the Public Buildings SLUC process. Funds over and above the actual amount required for normal operation are collected for the purpose of providing increased maintenance, repair, or manning. Much of the funding collected by GSA from client agencies flows outside the system. It is usually necessary for an agency to provide additional funds for any service falling outside of the narrowly defined standard services. Our Agency has responsibilities that require 24 hours per day, 365 days per year support. Utilities must be continuously available to computers and communication equipment. Backup equipment must be provided, maintained, and operated to preclude either scheduled or unforeseen events from interrupting critical functions.

Problems: GSA is either unwilling or unable to provide the 24 hour level of reliable service concerned. Even though reimbursed to provide the necessary resources, GSA allows emergency equipment to become and remain inoperative, preferring to trust that the primary equipment stays on line. Important equipment may remain inoperative for years, such as #3 1500 ton chiller in the power plant, the Dunham Bush 500 ton chiller in the Headquarters Building, and the central control air compressors in the Headquarters Building. After years of "recruiting" the diesel technicians and electricians to operate the multimillion dollar emergency power system, the system is still not staffed to have the necessary personnel available for 24-hour coverage at the minimum acceptable level.

Pros: The bad state of affairs just described has few advantages beyond the fact that there are usually a few GSA mechanics around when an emergency occurs. GSA seems emergency breakdown oriented and responds reasonably well when the last operable piece of equipment fails. When things are going well they do handle their own personnel and administrative headaches without burdening Agency resources.

Cons: Communications, data processing, and other activities directly contribute to national security and must have reliable and responsive support. GSA support to critical activities is the weak link of an otherwise strong chain. Continuity of service is jeopardized for the entire building under the SLUC system. Poor support reliability, especially in utility systems, is not compatible with Agency requirements.

Recommendation: In those instances where the Agency determines the level of services received are not commensurate with the amount for which reimbursement has been provided, the Agency must be able to contract directly for an acceptable level of service using whatever source of funding is appropriate, including adjustment to the ongoing SLUC funding. Although it is acknowledged that no alternative appears demonstratively superior to a competent GSA, it is clear that GSA is deficient in areas vital to this Agency's operational integrity. This Agency must be able to obtain those vital services for which Agency funds are budgeted and/or which appear in the SLUC account.

Category: SLUC Housekeeping/Custodial

Background: Through an exchange of correspondence in 1959 between the DCI and the Administrator of the GSA, it was agreed that GSA would perform services incident to the operation, maintenance, protection, and housekeeping of the CIA Headquarters Building. Although GSA was invited to provide housekeeping and related services, time has institutionalized the arrangement and GSA now considers the Headquarters Building as a public building, and therefore under GSA control.

Problem: Support provided by GSA to this Agency under the SLUC

arrangement has never measured up to Agency expectations, particularly in the custodial area, although this has, no doubt, been due in part to the thankless nature of the services provided. However, over the past several years, the quality of these services has deteriorated primarily due to the lowering of custodial standards by the GSA.

Pros: Although responsiveness suffers and difficulties arise due to the inherent crossing of GSA/CIA organizational lines and perceived prerogatives, GSA is convenient and is saddled with the complexities of hiring, motivating and controlling a blue collar work force.

Cons: GSA is not responsive. However, the task is onerous and we do not think anyone could provide better service under the same constraint.

Recommendation: In those instances where the Agency determines the level of services received are not commensurate with the amount for which reimbursement has been provided, it must be able to contract directly for an acceptable level of service using whatever source of funding is appropriate including adjustment to the ongoing SLUC funding. Responsibility and control remain with GSA. However, similar to the recommendation for the other areas covered by SLUC (operation and maintenance), this Agency must be able to obtain those services for which Agency funds are budgeted and/or which appear in the SLUC account.

Background: The Code of Federal Regulations, Title 41, Part 101, subchapter E, prescribes regulations, policies, procedures and delegations of authority pertaining to property management and the supply and procurement of goods and services. The Agency STATINTL interfaces with GSA for the provisioning of [] services. Services include: [] (b) acquisition and STATINTL disposal of property, (c) transportation, and (d) motor vehicle acquisitions. [] services have historically been responsive, and we attribute this fact to the special one-on-one relation- STATINTL ships that have evolved over the years. [] services have been less responsive with our problems similar to those experienced by other Government agencies.

STATINTL It should be noted that the overlapping of Agency and GSA authorities have never impacted on the Agency's abilities to meet mission requirements. GSA has historically accepted the STATINTL legitimacy of the Agency's procurement authorities, [] [] and has recognized that GSA is but one of several alternatives to obtain goods and services. Further, unlike construction and operations and maintenance, activities which involve a physical GSA presence, supply and procurement is of a low profile and generally conducted without GSA presence or awareness. However, should GSA become aggressive and insist on participating in our procurement and supply endeavors the Agency's ability to provide responsive service would deteriorate, and a problem would exist.

exclusive procurement authority for ADPE and related services to the Agency to accommodate its requirements and those of any activity under Agency operational and technical control. The delegation was formally granted to the DCI on 7 December 1973 by the Commissioner, Automated Data and Telecommunication Service, GSA. It was amended in September 1978 to update the regulatory citations which limit this authority by the Agency, and to include ADP management and procurement on a Government-wide basis (i.e., all Federal agencies). They can be found generally in FPR 1-4.11 and FPMR 101-35 and 36. In addition, the delegation provides for an annual GSA review of ADPE procurement actions as a means of assessing compliance with regulatory procedures.

The delegation from GSA for ADPE has proven to be advantageous to the Agency for obvious reasons, not the least of which has been the effect of reducing the time required to conduct procurements by eliminating the GSA review and approval process that would be required in advance of mailing an award. GSA apparently has found this arrangement satisfactory, since they not only extended the delegation in 1978, but also expanded it to include ADP services. This type of delegation enables services to be more responsive, government efficiency to increase and provide checks and balances to minimize the potential for abuse.

Problems: With the delegation for ADPE, the GSA/CIA supply and procurement entities have generally been responsive to mission requirements. It is noted that the system for property disposal is awkward from our point of view, requiring storage of the material

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for extended periods of time, but as in other areas where we have similar perceptions, like vehicle acquisitions, we would only recommend GSA review their system to cut current time-standards in half.

Pros: GSA provides effective [redacted] and STATINTL is a reasonably effective source of [redacted] goods and services. STATINTL

Cons: Efficiencies could be improved by fine tuning the system.

Recommendations: Specific improvements to the existing GSA/CIA interface follow:

1. Minimum Order Limitations (MOL)

We suggest that GSA permit procuring agencies to waive the MOL by unilateral determinations when critical operational requirements or exigencies prevail. This would eliminate the sometimes rather lengthy approval process when critical operational requirements exceed the MOL.

2. Mandatory Nature of Federal Supply Schedules (FSS)

We suggest that GSA allow procuring agencies to negotiate better pricing based on "similar or identical items" rather than solely for "identical items." This would enable agencies to take full advantage of the on-the-spot conditions affecting price in the marketplace.

3. GSA-Improved Management Controls

GSA recently imposed management controls on specific commodity groups, e.g., furniture, paper, etc. We suggest that GSA permit agencies to continue to procure to meet their specific minimum requirements rather than attempt to "force fit" Government-wide standards on all agencies.

Conclusion: The delegations of the authorities identified in the matrix located in the Executive Summary of this report will improve overall governmental efficiency, greatly improve the responsiveness of support to the Agency's mission, and decrease the potential for absence in the provision of goods and services.

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM: Don I. Wortman
Deputy Director for Administration
7D18 Hqs.

EXTENSION

NO.

DATE

7 OCT 1980

TO: (Officer designation, room number, and building)

DATE

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OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Director of Data Processing
2D0105, Hqs.

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The National Academy of Public Administration (NAPA) is presently under contract to evaluate the organization, functions, and effectiveness of the GSA. The Assistant Secretaries Management Group was instrumental in establishing this evaluation and through this group I have arranged for a meeting with NAPA to discuss this Agency's relationship and problems with GSA as outlined in the draft attachment. I would appreciate any comment or suggestion you might have. It is my intent to have the DCI forward this paper to NAPA and GSA as the initial round in the negotiations to effect improved relationship and responsiveness from GSA. I would appreciate your comments by 21 October since NAPA is working under a tight deadline.

An Executive Summary is provided in the paper for your convenience.

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with comments

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17 Oct 10/10/80

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